



TAEP Producer Diversification Program Value-Added Criteria

For Fiscal Year 2009 – 2010 *

Program Criteria:

- * This information is current as of **June 8, 2009** and is a supplement to the TAEP 2009 Application and Guidelines.
- Applicants must use Tennessee grown agricultural products as primary source of the value-added product.
- Producers are eligible for 35% cost share up to a maximum of \$10,000 for qualified expenses.
- The proposed activity must encompass quality expansion or improvement of the applicant's business. Eligible categories include:
 - Marketing
 - Production Equipment
 - Small Infrastructure

Regulatory Requirements:

- Producers must meet all state and local regulatory requirements to be eligible for cost share reimbursement. Applicants producing processed foods, meats, dairy, and related products should be licensed and inspected by the State of Tennessee as a food manufacturing facility if applicable.
- Contact **John Sanford** with the TN Department of Agriculture—Regulatory Services at (615) 837-5193 or John.Sanford@TN.gov for more information on state regulations.

Business Criteria:

- Producers should have an existing business producing the food or fiber raw product to be used in their value-added enterprise or sourcing the raw product directly from Tennessee farms.
- Businesses within the Value-Added sector include a variety products including:
 - Jams
 - Jellies
 - Relishes
 - Farm Fresh Meats
 - Ice Cream
 - Cheese
 - Clothing
 - Crafts
 - Condiments
 - Etc.

Competitive Projects – Value-Added:

Priority is given to projects that are focused on improving or increasing production. Producers that are producing the food or fiber raw product to be used in their value-added enterprise are given priority over off-farm sourcing of raw product. Marketing projects are allowed but are not considered as competitive as those involving production.

Examples of Eligible Expenses

Marketing

- Brochures
- E-Commerce Development
- Website Development

Production Equipment

- Cold Storage
- Packaging Equipment
- Processing Equipment

Small Infrastructure

- Loading Dock
- On-Farm Retail Shelters

Examples of Ineligible Expenses

- Product Development
- Rent
- General Supplies such as:
 - Containers
 - Ingredients
 - Labels

Contact:

- For more information regarding the TAEP Producer Diversification Program – contact **Jon Frady** at 615-837-5344 or **Producer.Diversification@TN.gov**.
- For information regarding TDA Market Development & Value-Added Products – contact **Linda Shelton** at 615-837-5345 or **Linda.Shelton@TN.gov**.
- Check the web at <http://www.TN.gov/agriculture/enhancement> for updates.